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**FORMER CEO OF VALLEY FOSTER CARE
INDICTED ON THIRTY-TWO COUNTS OF FRAUD**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that a grand jury has charged KIMBERLY R. CHIMIKLIS, 43, of Stockton, California, with thirty-two counts of fraud in connection with her operation of Big Valley Helping Hands Corporation ("Big Valley"). Chimiklis, the former Chief Executive Officer of Big Valley, operated the now defunct non-profit corporation in Stockton, Manteca, and Modesto, to, among other things, teach foster children how to live independently.

According to Assistant United States Attorney Robin R. Taylor, who is prosecuting the case, a federal grand jury indicted KIMBERLY R. CHIMIKLIS with ten counts of defrauding a pension plan, thirteen counts of health care fraud, one count of bank fraud, two counts of wire fraud, and six counts of mail fraud. The indictment alleges that KIMBERLY R. CHIMIKLIS wrongfully converted approximately \$14,600 from an employee 401(k) plan, and used the money to operate Big Valley and pay salaries.

The grand jury also charged the defendant with defrauding three health care benefit plans. The Indictment alleges that the defendant defrauded Aetna Health Care ("Aetna") by failing to forward employee health care premiums. The defendant is also charged with deducting money from employee paychecks for health benefits and participation in the Big Valley Cafeteria Plan. The Indictment alleges that the defendant failed to forward these funds as promised. The defendant instead used these funds to operate Big Valley, and to pay salaries. Because the defendant failed to pay the health care premiums, many employee health care claims were denied.

The Indictment further alleges that defendant KIMBERLY R. CHIMIKLIS committed bank fraud. She is charged with defrauding Union Safe Deposit Bank by wrongfully cashing a check for \$35,258.54 sent to her in error. The defendant falsely told the bank teller that the payee on the check was a subsidiary of Big Valley. The funds were used by the defendant to make payroll.

The defendant is also charged with cheating a factoring company, Universal Funding

Corporation, located in Spokane, Washington. A factoring company advances to individuals and corporations a percentage of money those individuals or corporations are owed by a third party. The factoring company then stands in the shoes of the creditor receiving funds from the third party. The Indictment alleges that KIMBERLY R. CHIMIKLIS factored accounts receivable from San Joaquin County. Universal advanced 75 percent to Big Valley, and was to receive the funds from San Joaquin County. When Universal attempted to collect the funds, the defendant falsely denied the factoring relationship and instructed the County to pay all funds to her.

Finally, the defendant is charged with defrauding a foster child enrolled in Project P.A.A.T.H., a housing program administered by Big Valley. The defendant falsely represented to the foster children enrolled in the program that if they subleased apartments from her, their rental payments would be placed in a savings account, and returned to them upon successful completion of the program. The defendant failed to set aside the funds as promised, and when one foster child successfully completed the program she failed to refund his money.

If convicted of theft from an employee benefit program, wire fraud and mail fraud, the defendant faces a maximum penalty of five years imprisonment, for each count, and a \$250,000 fine. If convicted of health care fraud, the defendant faces 10 years imprisonment for each count. If convicted on bank fraud, the defendant faces a maximum of 30 years imprisonment and a \$1 million fine. The defendant will also be ordered to make restitution to all victims.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

This case is the product of an extensive investigation by agents of the United States Department of Labor, Employee Benefits Security Administration.

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